



Received & Inspected

JUL - 1 2016

FCC Mailroom

10 Telecom Lane

P.O. Box 1000

Peridot, Arizona 85542

Phone (928) 475-2433

FAX (928) 475-7047

San Carlos Apache Telecommunications Utility, Inc.

REDACTED - FOR PUBLIC INSPECTION

June 30, 2016

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: Connect America Fund, WC Docket No. 14-58, 47 CFR § 54.313 Annual Reporting Requirements for High-Cost Recipients (Form 481)

Dear Ms. Dortch:

Attached please find San Carlos Apache Telecommunications Utility, Inc.'s high-cost support recipient annual report pursuant to 47 CFR § 54.313 (Form 481).

San Carlos Apache Telecommunications Utility, Inc. is filing certain financial information, reported pursuant to 47 CFR § 54.313(f)(2), as confidential under the March 22, 2016 Protective Order (DA 16-296). Pursuant to that Order, each page of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version of this information has been marked "CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION." As such, San Carlos Apache Telecommunications Utility, Inc. requests that the non-redacted version of its submission be withheld from public inspection.

San Carlos Apache Telecommunications Utility, Inc. is also requesting confidential treatment of certain information being filed pursuant to 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1) (five year service quality improvement plan) under 47 CFR § 0.457 and 0.459. The redacted version of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version has been marked "CONFIDENTIAL - NOT FOR PUBLIC INSPECTION."

Pursuant to 47 CFR § 0.459, San Carlos Apache Telecommunications Utility, Inc. offers the following in support of its request for confidential treatment of certain information.

- *Identification of the specific information for which confidential treatment is sought:* San Carlos Apache Telecommunications Utility, Inc. seeks confidential treatment of the five year service quality improvement plan required per 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1),
- *Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:* San Carlos Apache Telecommunications Utility, Inc. is providing the five year service quality improvement plan as part of its annual high-cost support recipient report per 47 CFR § 54.313.

No. of Copies rec'd 0
List ABCDE

REDACTED - FOR PUBLIC INSPECTION

Marlene H. Dortch
Federal Communications Commission

June 30, 2016
Page 2

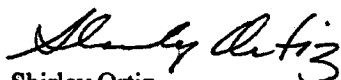
- *Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:* San Carlos Apache Telecommunications Utility, Inc. considers the information to be highly sensitive in that it contains statements about the Company's future investment plans, and discusses specific equipment and strategies the Company will utilize to provide services.
- *Explanation of the degree to which the information concerns a service that is subject to competition:* San Carlos Apache Telecommunications Utility, Inc. provides voice and broadband services that are in competition with various landline and wireless providers; thus, the investment data disclosed is related to services subject to competition to a high degree.
- *Identification of any measures taken by the submitting party to prevent unauthorized disclosure:* San Carlos Apache Telecommunications Utility, Inc. makes the data being provided available only to employees, consultants, and attorneys on a limited, need-to-know basis.
- *Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:* The information is not publicly available.
- *Justification of the period during which the submitting party asserts that material should not be available for public disclosure:* San Carlos Apache Telecommunications Utility, Inc. requests that the data provided be treated as confidential indefinitely. Due to the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
- *Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidential treatment should be granted:* None.

Accordingly, San Carlos Apache Telecommunications Utility, Inc. requests confidential treatment of the five year service quality improvement plan pursuant to section 0.457 and 0.459 of the Commission's rules.

The redacted version of this Form 481 submission will be filed via the Commission's Electronic Comment Filing System (ECFS) in the above-captioned docket.

If you have any questions about this filing, please contact the undersigned.

Sincerely,



Shirley Ortiz
CEO/General Manager

Attachment

FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	452169	
<015> Study Area Name	SAN CARLOS APACHE	Received & Inspected
<020> Program Year	2017	
<030> Contact Name: Person USAC should contact with questions about this data	Shirley Ortiz	JUL - 1 2016
<035> Contact Telephone Number: Number of the person identified in data line <030>	9284752433 ext.	FCC Mallroom
<039> Contact Email Address: Email of the person identified in data line <030>	shirley.ortiz@scatui.com	
Form Type	54.313 and 54.422	

**(100) Service Quality Improvement Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<110>	Has your company received its ETC certification from the FCC?	<input checked="" type="radio"/> (yes / no) <input type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input checked="" type="radio"/> (yes / no) <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

452169AZ112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Yes

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<210> For the prior calendar year, were there any reportable voice service outages?

[illegible]

**(300) Unfulfilled Service Request
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	452169
<015> Study Area Name	SAN CARLOS APACHE
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035> Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<300> Unfulfilled service request (voice)	0
---	---

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
--	--

<010> Study Area Code 452169

<015> Study Area Name SAN CARLOS APACHE

<020> Program Year 2017

<030> Contact Name - Person USAC should contact regarding this data Shirley Ortiz

<035> Contact Telephone Number - Number of person identified in data line
<030> 9284752433 ext.

<039> Contact Email Address - Email Address of person identified in data line
<030> shirley.ortiz@catul.com

<400> Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed voice

<410> Complaints per 1000 customers for fixed voice 0.0

<420> Complaints per 1000 customers for mobile voice

<430> Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed broadband

<440> Complaints per 1000 customers for fixed broadband 0.0

<450> Complaints per 1000 customers for mobile broadband

(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@catul.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes

452169AZ510.pdf

<510> Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance

(600) Functionality in Emergency Situations Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	452169
<015> Study Area Name	SAN CARLOS APACHE
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035> Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@acatui.com
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	452169A2610.pdf

FCC Form 481
OMB Control No.
July 2013

<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@casatui.com

1/1/2016
16.0

[illegible]

<015>	Study Area Name
-------	-----------------

<020>	Program Year
-------	--------------

2017

Shirley Ortiz

9284752433 ext.

shirley.ortiz@scatui.com

[illegible]

[illegible]

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<900> Does the filing entity offer tribal land services? (Y/N)

Yes

San Carlos Apache Reservation

<910> Tribal Land(s) on which ETC Serves

452169A2920.pdf

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<1000> Voice services rate comparability certification Yes

452169AZ1010.pdf

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1020> Broadband comparability certification

Name of Attached Document

<1030> Attach detailed description for broadband comparability compliance

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
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<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

452169N21210.pdf

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers		July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b), (c), (d), (e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support

<2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support

<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.

<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2024A> Round 2 Recipient of Incremental Support?

<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.

<2025A> Round 1 or Round 2 Recipient of Incremental Support?

<2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing
Required Information

Name of Attached Document Listing
Required Information

(2000) Price Cap Carrier Additional Documentation (Continued)

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap/Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing
Required Information

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

<010>	Study Area Code	452169
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<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan
Carrier certifies to 54.313(f)(1)(iii)

Yes - Attach Certification

(3010A) Milestone Certification {47 CFR § 54.313(f)(1)(i)}

452169A23010.pdf

(3010B) Please Provide Attachment

Name of Attached Document Listing Required Information

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}

No - No New Community Anchors

(3012B) Please Provide Attachment

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}

(Yes/No)

☒ ☐

(3014) If yes, does your company file the RUS annual report

(Yes/No)

☒ ☐

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

☒

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

☒

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

452169A23017.pdf

(3018) If the response is no on line 3014, is your company audited?

(Yes/No)

☐ ☐

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

☐

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

☐

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

☐

(3023) Underlying information subjected to a review by an independent certified public accountant

☐

(3024) Underlying Information subjected to an officer certification.

☐

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

(3005) Rate Of Return Carrier Additional Documentation (Continued)

Data Collection Form

PCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
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<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

Financial Data Summary

(3027) Revenue	6345566
(3028) Operating Expenses	7892596
(3029) Net Income	-951333
(3030) Telephone Plant In Service(TPIS)	29910291
(3031) Total Assets	21432512
(3032) Total Debt	16088453
(3033) Total Equity	5344059
(3034) Dividends	0

(4005) Rural Broadband Experiment Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@ecatul.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information _____

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information _____

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information _____

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	452169
<015> Study Area Name	SAN CARLOS APACHE
<020> Program Year	2017
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<039> Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: SAN CARLOS APACHE	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/29/2016
Printed name of Authorized Officer: Shirley Ortiz	
Title or position of Authorized Officer: General Manager	
Telephone number of Authorized Officer: 9284752433 ext.	
Study Area Code of Reporting Carrier: 452169	Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	452169
<015> Study Area Name	SAN CARLOS APACHE
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035> Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

Attachments

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

452169

SAN CARLOS APACHE

2017

Shirley Ortiz

9284752433 ext.

shirley.ortiz@scatui.com

1/1/2016

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FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	452169
<015>	Study Area Name	SAN CARLOS APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Shirley Ortiz
<035>	Contact Telephone Number - Number of person identified in data line <030>	9284752433 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	shirley.ortiz@scatui.com

[illegible]

I. DISCUSSION

San Carlos Apache Telecommunications Utility, Inc. (Company), an ETC designated by the Federal Communications Commission, hereby submits this five year service quality improvement plan progress report (*Progress Report*) as required by 47 CFR § 54.313(a)(1). The Company is an incumbent carrier with one service area in the state of Arizona, with 2,411 customers in 1 exchanges as of 12/31/2015. The Company is a rate-of-return (RoR) regulated carrier.

The *Progress Report* reflected herein represents the Company's ongoing efforts to expand high quality, reasonably-priced broadband services throughout its service area. The Company generated and filed in 2014 a five-year plan in compliance with the Commission's rules, although the out years in the plan (years 3-5) are speculative in nature and thus will likely change, sometimes substantially, in future progress updates filed with the Commission. Reasons for the speculative nature of years 3-5 of the Plan include (1) the unknown nature of universal service support in those years, in light of the Commission's USF/ICC Transformation Order, (2) the difficulty in forecasting customer counts, demand, and other factors directly affecting network demand, and (3) the rapid pace of technological innovations in the communications industry makes it difficult to plan more than one or two years in advance with any degree of accuracy.

The *Progress Report* presented herein by necessity includes expenditures not directly tied to "improvements or upgrades" of the Company's network, such as amounts for the maintenance and upkeep of existing telecommunications plant. In order for the Commission to accurately consider the capital and operating expenditures as related to and supported by the federal universal service programs, these types of costs are critical for such an understanding.

II. Five Year Plan Update

The Company has no changes to the five year service quality improvement plan it filed in 2014.

III. Progress Report

A. Maps

Section 54.313(a)(1) requires that all recipients of high cost support are to provide maps depicting the progress made during the current reporting period. The Company is providing a map showing progress in regards to its five year service quality plan through June 30, 2016, and is provided at the wire center or census block level, as applicable.

B. Universal Service Support Received

Section 54.313(a)(1) requires that all recipients of high-cost support provide an explanation of how much universal service support was received during the reporting period. For this year's Progress Report, the amount of universal service support received will be for the 6 months ended June 30, 2016. The Company received the following universal service support amounts during the period January 1, 2016 through June 30, 2016:

Description	Amount Rec'd Jan - Jun 2016
High Cost Loop Support	\$761,280
Safety Valve Support	0
Safety Net Additive Support	0
Interstate Common Line Support	521,562
CAL ICC Support	397,184
Total	\$1,497,297

Of the total amount of support received shown above, the Company estimates that approximately 60% was used for capital expenditures and 40% was used for operating expenditures.

C. How Universal Service Support Was Used

Section 54.313(a)(1) also requires all recipients of high-cost support to provide an explanation of how the universal service support received was used to improve service quality, coverage, or capacity. The universal service support received by the Company is either based on (1) actual overall revenue requirements, as determined by associated FCC rules, or (2) the replacement of certain interstate and intrastate access revenues. This support is added to the Company's general funds and the expenditure of such support is not separately tracked, nor is it practical to do so.

Overall, any support expended pursuant to the investment and operating expense budgets presented in the Company's five year service quality improvement plan will be used to increase coverage and capacity, via additional investment in voice and broadband-capable infrastructure, and improve service quality, via expenditures for continued operations and maintenance. By the very nature of the FCC rules that give rise to the universal service support received, the Company clearly expends such funding to support regulated operations and thus serves to improve broadband and voice coverage, capacity and service quality. Therefore, due to the reimbursement nature of the HCLS and ICLS mechanisms, all support received was already expended to increase coverage, capacity and service quality improvement through qualifying capital investments and the qualifying operating expenses that support them.

SCATUI's 2016 service quality improvement projects to date include projects to expand 10/1 Mbps broadband service capability. The table below provides an overview of the projected 2016 capital expenditure projects shown in SCATUI's 5 year plan submitted in 2014 versus actual project expenditures occurring between January 1, 2016 and June 30, 2016.

Project Description	2016 Projected Capital Expenditures from 5 Year Plan	Actual Capital Expenditures (January 1, 2016 – June 30, 2016)	Actual Capital Expenditures (Jul 1, 2016 – Dec 31, 2016)
FTTP Additions	\$267,000	\$36,400	\$27,800
COE Additions	\$1,595,000	\$0	\$275,000
Totals:	\$1,862,000	\$36,400	\$302,800

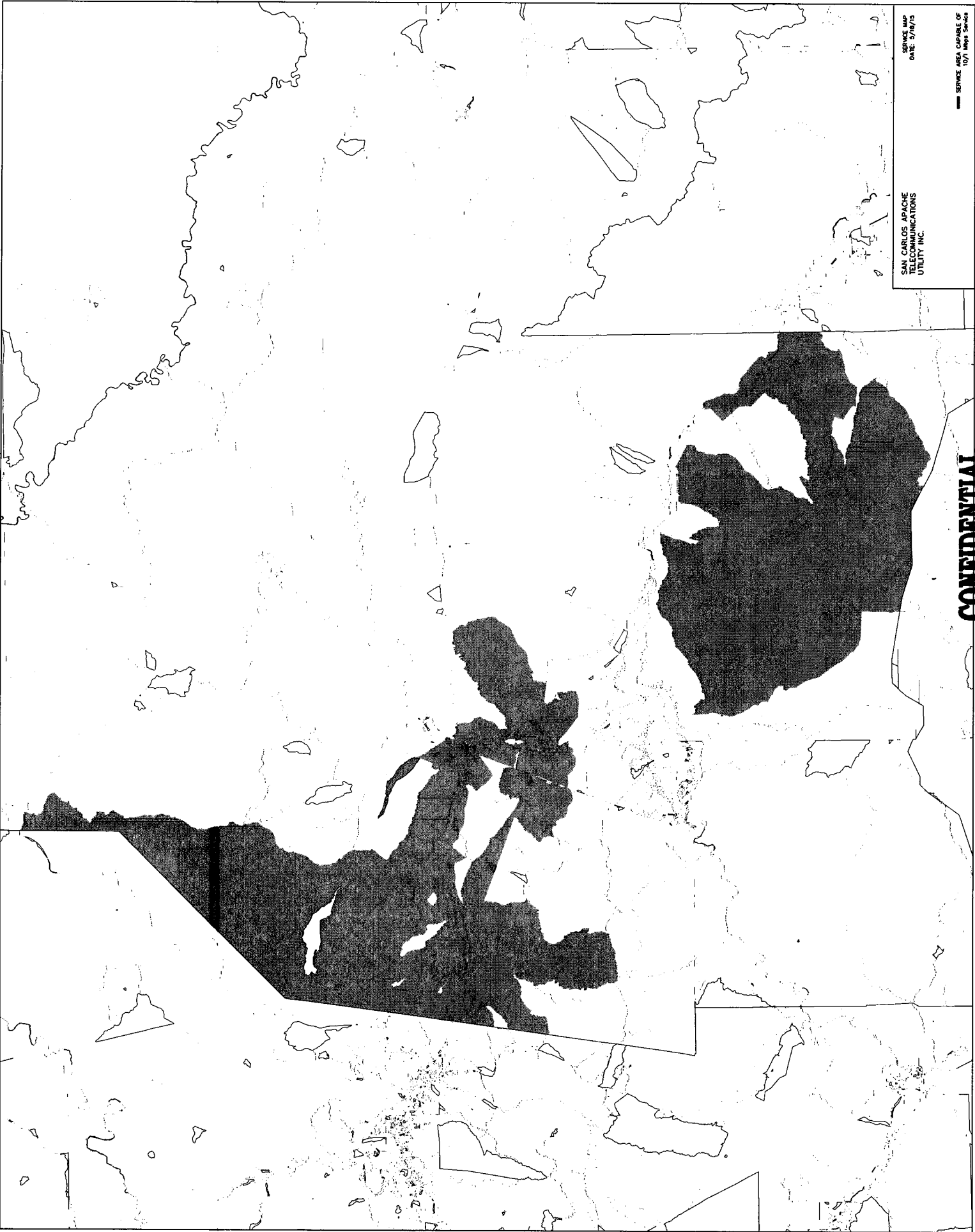
D. Network Improvement Targets

Section 54.313(a)(1) requires all recipients of high cost support to provide an explanation of any network improvement targets that have not been fulfilled in the prior calendar year. Since the Company filed its initial five year service quality improvement plan in 2014, there is no prior calendar year upon which to report at this time.

Considerations

The investment and service quality improvement plan and progress report discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission:

- *Speed* - at least 10 mbps downstream and 1 mbps upstream in regards to requests for service beginning in 2016. This reflects the Commission's recent decision to increase the standard broadband speed from 4 mbps /1 mbps.
- *Latency* - 100mS or less, sufficient for real-time applications
- *Capacity* – The Company currently provides unlimited monthly capacity to its broadband service customers.
- As an RoR-regulated carrier, the Company is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 10 meg/1 meg upon reasonable request and within a reasonable timeframe. As a result, the Plan and Progress Report reflected herein takes into account this requirement by meeting all such requests for broadband service within the overall service guidelines adopted by the relevant tribal authority and the FCC.
- The Company will provide high speed internet and telephone service to all areas within its franchised area.



SAN CARLOS APACHE
TELECOMMUNICATIONS
UTILITY INC.

SERVICE MAP
DATE: 5/18/75

— SERVICE AREA CAPABLE OF
10/1 Mbps Service

CONFIDENTIAL

San Carlos Apache Telecommunications Utility, Inc. (SAC 452169)

Statement Regarding Service Quality Standards and Consumer Protection Rules Compliance

47 C.F.R. § 54.313(a)(10)

Form 481, Line 510

San Carlos Apache Telecommunications Utility, Inc. ("the Company") complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The Company is owned by the San Carlos Apache Tribe. It is therefore reasonable that the Company operates under service quality standards and consumer protection rules that are in the best interest of its customers, who are mostly members of the Tribe.

The rates, terms and conditions under which the Company operates are outlined in its local exchange tariff. The tariff was modeled after the tariffs of state-regulated rural incumbent local exchange carriers, although the Company itself is not regulated by the Arizona Corporation Commission. The Company modifies its tariff from time to time with approval of, or at the request of the Tribal Council. The Company's tariff contains provisions regarding its customer service and protection practices.

Service quality standards are established by the Company Board of Directors with a Tribal Council liaison sitting on the Board. Monthly reports on service quality compliance are provided to the Board, with periodic updates to the Tribal Council.

With regard to broadband service, the Company provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Company.

The Company also complies with the following consumer best practices: (1) the Company discloses its rates and terms of service to customers; (2) the Company provides specific disclosures in its advertising; (3) the Company separately identifies carrier charges from taxes on its billing statements; (4) the Company provides ready access to customer service; (5) the Company promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Company abides by policies for protection of consumer privacy.

Finally, the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company's compliance with CPNI rules and a description of the Company's operating procedures that ensure compliance are filed annually with the FCC.

San Carlos Apache Telecommunications Utility, Inc. (SAC 452169)

Statement Regarding Functionality in Emergency Situations

47 C.F.R. § 54.313(a)(10)

Form 481, Line 610

San Carlos Apache Telecommunications Utility, Inc. ("the Company") is able to function in emergency situations for both voice and broadband service. The Company has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored, so long as fuel is available. The network is capable of managing traffic spikes resulting from emergency situations.

The Company is able to reroute traffic around damaged facilities. Although the Company's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

The Company has three Sonet fiber rings that increase the survivability of its network. The rings allow the Company to maintain service to its remote electronic sites in the event of a fiber outage, making the Company's network efficient, economical, and reliable.



San Carlos Apache Telecommunications Utility, Inc.

LINE 920 – TRIBAL GOVERNMENT ENGAGEMENT OBLIGATION

San Carlos Apache Telecommunications Utility, Inc. (“SCATUI” or “the Company”) is a tribally owned company and as such, engagement with the San Carlos Apache Tribe (“SCAT” or “the Tribe”) and the Tribal Council are essential to the Company’s operation. SCATUI’s General Manager along with the President or other member of its Board of Directors meet with the San Carlos Apache Tribal Council and other SCAT representatives on a quarterly basis. During those meetings, the Company provides progress reports on its various communications and broadband plans, and engages in conversations regarding any modifications needed to meet the needs of the Tribe. Presently, four members of the Tribal Council sit on SCATUI’s Board of Directors, with each member representing one of the four districts of the reservation.

SCATUI’s General Manager and management team also participate in SCAT’s annual Special Council meeting. During the annual meeting, SCATUI presents its year-end accomplishments, financial information, and future goals and projects for the coming year.

Needs Assessment and Deployment Planning with a Focus on Tribal Community Anchor Institutions

Since SCATUI’s inception, discussions between the Company and the Tribe regarding needs assessment and deployment planning have been integral to the growth in its customer base on the reservation from approximately 600 in 1998 to over 2,400 in 2016. Ongoing discussions and planning result in the deployment of new services to existing customers as well as the extension of telecommunications and broadband services to new anchor institutions and housing developments on the reservation. This includes a new hospital and a proposed new school.

In addition, funding from the American Recovery and Reinvestment Act has made fiber-to-the-home deployment possible in a new housing development and will also fund fiber build out to other housing communities presently served via copper.

Feasibility and Sustainability Planning

At least every five years the Tribe develops a comprehensive economic development strategy and SCATUI is an active participant in the planning process.

Marketing in a Culturally Sensitive Manner

Marketing is done in a culturally sensitive manner. SCATUI participates in community meetings where it presents information on its services to the public, including its Lifeline program offerings. The presentations are provided in the Apache language for those residents who only speak Apache. Other services have been customized to meet the needs of the public such as voice mail verbal instructions offered in the Apache language. The majority of the Company’s employees are members of the SCAT, understand the

community's needs, and are sensitive to the cultural differences of its customers. SCATUI collaborates with the Tribal Language Preservation program by placing "Apache Word of the Week" ads on its local advertising channel. Local businesses also offer auto-attendant call recordings in the Apache language for Apache speaking customers.

Compliance with Rights of Way Processes, Land Use Permitting Requirements, Facilities Sitting Rules, Environmental Review Processes, and Cultural Preservation Review Processes

During the quarterly meetings and ongoing as necessary, SCATUI engages with the Tribal Council and respective Tribal departments regarding right-of-way processes, land use permitting requirements, facilities sitting rules, environmental review processes, and cultural preservation review processes specific to each of the Company's projects.

Compliance with Tribal Business and Licensing Requirements

SCATUI complies with all Tribal business and licensing requirements. The Company is required to obtain a Tribal Privilege License. It must also apply annually for a Tribal Business License as well as a Land Lease agreement.

San Carlos Apache Telecommunications Utility, Inc. (SAC 452169)

Statement Regarding Voice Rate Comparability

47 C.F.R. § 54.313(a)(10)

Form 481, Line 1010

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$47.48, which includes the federal subscriber line charge ("SLC").¹

In all of the exchanges served by San Carlos Apache Telecommunications Utility, Inc. ("the Company"), the single-line residential local rate is \$16.00. When the federal SLC (\$6.50) is included, the rate becomes \$22.50. Therefore, the Company's pricing of fixed voice services is less than the reasonable comparability benchmark of \$47.48.

¹ *Wireline Competition Bureau Announces Results of Urban Rate Survey for Voice Services; Seeks Comment on Petition for Extension of Time to Comply With New Rate Floor*, WC Docket No. 10-90, DA 14-384 (rel. Mar. 20, 2014), p. 2.

San Carlos Apache Telecommunications Utility, Inc. (SAC 452169)

Statement Regarding Terms & Conditions of Voice Telephony Lifeline Plans

47 C.F.R. § 54.313(a)(10)

Form 481, Line 1210

All of the exchanges served by San Carlos Apache Telecommunications Utility, Inc. ("the Company") are Tribal lands. In all of the Company's exchanges, residential customers who qualify for the Lifeline Program receive a discount of \$22.50 on local voice telephony service.

In all of the Company's exchanges, the Lifeline single-line residential rate, including the federal SLC, is \$0.00 (\$22.50 standard rate - \$22.50 discount).

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

Toll charges for calls outside of the local calling area are determined by the long distance carrier of the customer's choosing. Lifeline customers may elect to subscribe to toll blocking at no charge.

The Company does not disconnect the service of Lifeline subscribers for the non-payment of toll charges. However, the Company reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills.

The Company offers bundled services to Lifeline customers that are discounted by \$22.50 for the voice component of the bundle.

Lifeline Program reductions do not apply to additional services such as custom calling features. Lifeline customers may subscribe to these services at the same rates offered to other customers.

Additional information regarding the terms and conditions of voice telephony Lifeline plans can be found at <http://scatui.com/telephone/e-lifelinee-linkup/>.

San Carlos Apache Telecommunications Utility, Inc. (SAC 452169)

Progress Report on 5 Year Plan – Milestone Certification

47 C.F.R. § 54.313(f)(1)(i)

Form 481, Line 3010

San Carlos Apache hereby certifies pursuant to 47 CFR 54.313(f)(1)(i) that it is taking all reasonable steps to provide, upon reasonable request, broadband service at actual speeds of at least 10 mbps downstream and 1 mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable time frame.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME San Carlos Apache Telecommunications Utility, Inc.	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. <i>For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>	PERIOD ENDING December, 2015	BORROWER DESIGNATION AZ0512

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Shirley Ortiz

6/29/2016

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	1,354,221	2,261,935	25. Accounts Payable	655,192	159,178
2. Cash-RUS Construction Fund	10,592		26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	71,837	71,349
a. Telecom, Accounts Receivable			28. Customer Deposits	33,526	35,826
b. Other Accounts Receivable	4,426,162	4,503,698	29. Current Mat. L/T Debt	1,855,054	2,092,401
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	252,267	246,641	32. Income Taxes Accrued		
b. Other Accounts Receivable	2,494,617	504,195	33. Other Taxes Accrued	34,302	120,421
c. Notes Receivable			34. Other Current Liabilities	93,073	137,370
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	2,742,984	2,616,545
6. Material-Regulated	231,963	385,659	LONG-TERM DEBT		
7. Material-Nonregulated	87,784	84,670	36. Funded Debt-RUS Notes	8,230,831	9,641,247
8. Prepayments	25,304	78,092	37. Funded Debt-RTB Notes	2,219,354	1,791,607
9. Other Current Assets			38. Funded Debt-FFB Notes	603,999	543,193
10. Total Current Assets (1 Thru 9)	8,882,910	8,064,890	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development	(2,637,015)	(2,694,145)	42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt	1,608,514	1,495,861
b. Nonrural Development	156,388	177,967	46. Total Long-Term Debt (36 thru 45)	12,662,698	13,471,908
13. Nonregulated Investments	628,509		OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets		5,000	47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	(1,852,118)	(2,511,178)	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	26,286,018	29,910,291	51. Cap. Stock Outstand. & Subscribed	600,000	600,000
19. Property Held for Future Use			52. Additional Paid-in-Capital	500,000	500,000
20. Plant Under Construction	2,056,915	52,776	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	13,674,328	14,084,267	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	14,668,605	15,878,800	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	5,193,715	4,244,059
			58. Total Equity (51 thru 57)	6,293,715	5,344,059
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		
	21,699,397	21,432,512		21,699,397	21,432,512

Total Equity = 24.93% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		AZ0512	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2015	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		821,465	850,572
2. Network Access Services Revenues		4,854,411	5,322,888
3. Long Distance Network Services Revenues		27,175	
4. Carrier Billing and Collection Revenues		2,274	0
5. Miscellaneous Revenues		122,964	211,503
6. Uncollectible Revenues		34,889	39,397
7. Net Operating Revenues (1 thru 5 less 6)		5,793,400	6,345,566
8. Plant Specific Operations Expense		1,223,236	2,545,231
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		792,990	1,858,140
10. Depreciation Expense		1,278,357	1,501,735
11. Amortization Expense			
12. Customer Operations Expense		377,582	321,251
13. Corporate Operations Expense		1,402,747	1,666,239
14. Total Operating Expenses (8 thru 13)		5,074,912	7,892,596
15. Operating Income or Margins (7 less 14)		718,488	(1,547,030)
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes		165,838	167,958
20. Total Operating Taxes (17+18+19)		165,838	167,958
21. Net Operating Income or Margins (15+16-20)		552,650	(1,714,988)
22. Interest on Funded Debt		672,478	684,519
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction		51,387	100,661
26. Total Fixed Charges (22+23+24-25)		621,091	583,858
27. Nonoperating Net Income		4,647,764	1,347,513
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		(308,186)	
31. Total Net Income or Margins (21+27+28+29+30-26)		4,271,137	(951,333)
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year		922,579	5,193,715
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date		1	
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		5,193,715	4,242,382
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		2,413,813	3,123,231
45. Cash Ratio [(14+20-10-11) / 7]		0.6839	1.0336
46. Operating Accrual Ratio [(14+20+26) / 7]		1.0118	1.3623
47. TIER [(31+26) / 26]		7.8768	-0.6294
48. DSCR [(31+26+10+11) / 44]		2.5564	0.3632

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

AZ0512

PERIOD ENDED

December, 2015

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
San Carlos	32.00	16.00	780	1,824	2,604	387.48	248.48
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			780	1,824	2,604	387.48	248.48
No. Exchanges	1						

USDA-RUS

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INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

AZ0512

PERIOD ENDED

December, 2015

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
San Carlos	2,604	1,534	1,339	1,500	768	29.95	StandAlone	DSL
Total	2,604	1,534						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			BORROWER DESIGNATION AZ0512 PERIOD ENDING December, 2015		
INSTRUCTIONS- See RUS Bulletin 1744-2					
PART D. SYSTEM DATA					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
14	16	2,867	.91	6.72	
PART E. TOLL DATA					
1. Study Area ID Code(s) a. 452169 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					6,585,402
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					6,585,402
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development		188,638		(2,694,145)	(2,694,145)
2. Investment in Affiliated Companies - Nonrural Development					

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PART H. CURRENT DEPRECIATION RATES	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)	
<input checked="checked" type="checkbox"/> YES	<input type="checkbox"/> NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	20.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	10.00%
4. Land and support assets - Garage and other work equipment	10.00%
5. Land and support assets - Buildings	4.00%
6. Land and support assets - Furniture and Office equipment	14.05%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	12.70%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	8.33%
12. Central Office Transmission - Circuit equipment	8.33%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	12.70%
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	8.00%
17. Information origination/termination - Other terminal equipment	12.70%
18. Cable and wire facilities - Poles	7.10%
19. Cable and wire facilities - Aerial cable - Metal	5.50%
20. Cable and wire facilities - Aerial cable - Fiber	5.50%
21. Cable and wire facilities - Underground cable - Metal	4.50%
22. Cable and wire facilities - Underground cable - Fiber	4.50%
23. Cable and wire facilities - Buried cable - Metal	4.50%
24. Cable and wire facilities - Buried cable - Fiber	4.50%
25. Cable and wire facilities - Conduit systems	4.50%
26. Cable and wire facilities - Other	5.50%

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OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		PERIOD ENDED December, 2015	
INSTRUCTIONS – See help in the online application.			
PART I – STATEMENT OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		1,364,813
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income		(951,333)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3.	Add: Depreciation		1,501,735
4.	Add: Amortization		0
5.	Other (Explain) Reconcile FY to calendar year		(186,905)
Changes in Operating Assets and Liabilities			
6.	Decrease/(Increase) in Accounts Receivable		1,918,512
7.	Decrease/(Increase) in Materials and Inventory		(150,582)
8.	Decrease/(Increase) in Prepayments and Deferred Charges		(52,788)
9.	Decrease/(Increase) in Other Current Assets		0
10.	Increase/(Decrease) in Accounts Payable		(496,014)
11.	Increase/(Decrease) in Advance Billings & Payments		(488)
12.	Increase/(Decrease) in Other Current Liabilities		130,416
13.	Net Cash Provided/(Used) by Operations		1,712,553
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable		0
15.	Increase/(Decrease) in Notes Payable		0
16.	Increase/(Decrease) in Customer Deposits		2,300
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		1,046,557
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits		0
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20.	Less: Payment of Dividends		0
21.	Less: Patronage Capital Credits Retired		0
22.	Other (Explain) FYE reconciling diff to calendar year 12 months		157,999
23.	Net Cash Provided/(Used) by Financing Activities		1,206,856
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)		(1,620,134)
25.	Other Long-Term Investments		664,060
26.	Other Noncurrent Assets & Jurisdictional Differences		(5,000)
27.	Other (Explain) Reconcile FYE to 12 mos calendar year		(1,061,213)
28.	Net Cash Provided/(Used) by Investing Activities		(2,022,287)
29.	Net Increase/(Decrease) in Cash		897,122
30.	Ending Cash		2,261,935

Revision Date 2010

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NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

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CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	